



FILED

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Adopt
Biomethane Standards and
Requirements, Pipeline Open Access
Rules, and Related Enforcement
Provisions

Rulemaking 13-02-008

**ASSIGNED COMMISSIONER'S RULING ON JOINT MOTION
REGARDING FURTHER PROCEDURAL SCHEDULE FOR
A STANDARD RENEWABLE GAS INTERCONNECTION TARIFF AND
AGREEMENTS**

1. Summary

This ruling grants the joint motion of Southern California Gas Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southwest Gas Corporation (Joint Utilities) regarding their request for setting a further procedural schedule for a standard biomethane interconnection tariff and agreement, with the modification that they will propose a standard "renewable gas" tariff and agreement.

2. Background

On July 5, 2018, the assigned Commissioners' Amended Scoping Memo and Ruling (Scoping Memo) issued. The Scoping Memo identified the interconnection process as a potential barrier to entry for the biomethane industry. Currently, each gas utility has a different tariff and agreement for interconnection to its gas pipeline system, which adds complexity for project developers. The Scoping Memo noted that to "...promote development of a

statewide biomethane industry across all investor-owned utility territories and reduce barriers to entry, it is important to establish a standardized utility biomethane interconnection tariff and standardized interconnection pro forma forms for the use of biomethane projects across California.”¹ The Scoping Memo directed the Joint Utilities “to jointly file a proposed standard biomethane interconnection tariff and proposed standard pro forma interconnection forms within 90 days of the scoping memo.”²

The Scoping Memo provided that “Energy Division will schedule a workshop to facilitate development of a standard tariff...”³ In addition, the Scoping Memo states “[f]ollowing the workshop on the proposed joint utility interconnection tariff and pro forma forms, I or the assigned Administrative Law Judge (ALJ) will issue a subsequent ruling establishing a further procedural schedule for the development of a standard biomethane interconnection tariff.”⁴

The Scoping Memo also asked parties to comment on whether the biomethane injection standards should apply more broadly to injection of “renewable methane.”⁵ In comments, many parties support this and none were opposed. Several parties also requested that the Commission provide a definition of “renewable methane.” A subsequent ruling was issued with Energy Division staff’s proposed definition of “renewable methane.”⁶ Parties

¹ Scoping Memo at 7.

² Scoping Memo at 7.

³ *Id.* at 7.

⁴ *Id.* at 8.

⁵ *Id.* at 6.

⁶ Assigned Commissioner Ruling Seeking Comment on Staff Proposal on Renewable Methane Definition, etc.... (Appendix A), November 19, 2018.

Footnote continued on next page.

submitted comments on the proposed definition, but we have not yet approved a final version.

On October 3, 2018, the Joint Utilities filed a draft joint utility biomethane interconnection tariff and identified utility biomethane interconnection agreement approaches for discussion at an upcoming workshop.⁷ Parties provided comments on the draft tariff and agreement. On May 23 24, 2019, the Commission hosted a two-day workshop to Consider a Standard Renewable Natural Gas Interconnection Tariff and an Inquiry into Standards Required to Inject and Interconnect Renewable Methane and Hydrogen Projects (Workshop).

On June 28, 2019, the Joint Utilities filed a motion requesting that the Commission set a further procedural schedule to allow time for the Joint Utilities to further develop a biomethane interconnection tariff and agreements.⁸ In their motion, the Joint Utilities proposed the following schedule:

| Event | Date |
|---|--|
| Biomethane Interconnection Tariff Draft Proposal | November 1, 2019 |
| Follow-up Workshop(s) on Biomethane Interconnection Tariff | December 2019 |
| Joint Utilities submit Proposed Biomethane Interconnection Agreements | TBD |
| Follow-up Workshops on Proposed Biomethane Interconnection Agreements | Within 45 days of submission of Proposed Biomethane Interconnection Agreements |

⁷ Discussion Draft of Joint Utility Biomethane Interconnection Tariff of PG&E, Southwest Gas, SoCalGas, SDG&E and Biomethane Interconnection Agreements for Workshop Discussions (10/3/18).

⁸ Joint Utilities Motion to Request Further Procedural Schedule for Biomethane Interconnection Tariff and Agreement at 2.

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3. Discussion

As noted above, the biomethane interconnection tariff and agreement was part of the July 5, 2018 scoping memo.⁹ This was intended to promote the production and development of biomethane in California in furtherance of Public Utilities Code § 399.24. This Section requires the Commission to “adopt policies and programs that promote the in-state production and distribution of biomethane.” In addition, Assembly Bill (AB) 3187, codified at Public Utilities Code § 784.2, requires that “no later than July 1, 2019, the Commission shall open a proceeding to consider options to further the goals of Section 399.24, ...”

In comments on the Scoping Memo, parties expressed overwhelming support for applying the standard interconnection tariff to “renewable methane” (which includes biomethane, as well as other types of renewable methane) and I agree. The proposed tariff shall include a definition of “renewable methane.” However, we will call the standard tariff the “Renewable Gas Interconnection Tariff” because, while the tariff will initially only allow injection of renewable methane, in the future it may be modified to govern interconnection and injection of other renewable gases, if approved by the Commission.

The procedural schedule proposed by the Joint Utilities is approved with the addition of several dates, as follows:

⁹ The Scoping Memo stated, at 7, “...that in order to promote development of a statewide biomethane industry across all investor-owned utility territories and reduce barriers to entry, it is important to establish a standardized utility biomethane interconnection tariff and standardized interconnection pro forma forms for the use of biomethane projects across California.”

| <u>Event</u> | <u>Date</u> |
|--|--|
| Joint Utilities File Standard Renewable Gas Interconnection Tariff | November 1, 2019 |
| Follow-up Workshop(s) on Standard Renewable Gas Interconnection Tariff | November 13, 2019, or as soon thereafter as possible |
| Joint Utilities File Standard Renewable Gas Interconnection Agreement | February 1, 2020 |
| Decision Approving Tariff | TBD |

With these modifications, the Joint Utilities' schedule is reasonable and furthers the objectives of Sections 399.24 and 784.2.

IT IS RULED:

1. The Joint Utilities' Standard Renewable Gas Interconnection Tariff Proposal shall be filed and served on this (or successor) service list on or before November 1, 2019. The Tariff Proposal shall include a definition of renewable methane, and set forth the interconnection process and injection standards for renewable methane. Parties to the proceeding may file comments within 21 days and reply comments within 10 days.

2. The Commission's Energy Division will host a follow-up workshop on the Joint Utilities' Standard Renewable Gas Interconnection Tariff Proposal on November 13, 2019, or as soon thereafter as possible.

3. The Joint Utilities shall file and serve on this (or successor) service list a proposed Standard Renewable Gas Interconnection Agreement on or before February 1, 2020.

Dated August 22, 2019, at San Francisco, California.

/s/ CLIFFORD RECHTSCHAFFEN

Clifford Rechtschaffen
Assigned Commissioner